

U.S. Department of Justice

*United States Attorney
Eastern District of Virginia
2100 Jamieson Avenue (703) 299-3700
Alexandria, Virginia 22314*

*Paul J. McNulty
United States Attorney*

NEWS RELEASE

FOR IMMEDIATE RELEASE
Alexandria, Virginia
April 12, 2005

For further information contact
Sam Dibbley 703-299-3700

Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced that Daniel Schoultz, 39, of Fairfax, Virginia, pled guilty today to one count of interstate transportation of property taken by fraud. Schoultz's former employer, Home Depot, Incorporated, lost more than \$66,000 as a result of the fraud. United States District Judge Leonie M. Brinkema has scheduled Schoultz's sentencing for June 28, 2005.

Daniel Schoultz was an assistant manager for Home Depot, Incorporated, at its Seven Corners Center store in Falls Church, Virginia. From March 2003 to January 2005, Schoultz used his authority to execute 42 fraudulent transactions involving sham credits or refunds to existing customers, the proceeds of which he diverted to his personal bank account in Texas. Schoultz executed these fraudulent transactions by exploiting Home Depot, Incorporated's customer satisfaction policy, which, under certain circumstances, permitted customers to receive a credit or refund on merchandise they had purchased without having to return that merchandise.

A typical transaction began with Schoultz falsely telling one of the Home Depot sales clerks who had access to a cash register computer terminal that an existing customer had a customer satisfaction issue and was due a refund or a credit. These credits or refunds ordinarily were issued to existing customers who legitimately were dissatisfied with a particular transaction. For instance, a customer could receive a credit or refund on a product that had been delivered damaged or late, or for a discount on a product to which the customer was entitled at the time of purchase, but had not received. In fact, on each of the 42 occasions mentioned above, the customer neither requested such a credit or refund nor was entitled to one.

Schoultz then would provide the clerk with the amount of the credit or refund due and the "customer's" account information. What Schoultz actually provided the sales clerk, however, was account information corresponding to his personal bank account in Texas. By substituting his own account information for that of the customer's, Schoultz took money belonging to Home Depot, Incorporated, via an interstate wire transfer. Among other things, Schoultz used this money for personal expenses such as clothing, travel and electronics.

Mr. McNulty stated: "Fraud schemes like this hurt all of us. They most often result in higher prices and more restrictive return policies."

This case was investigated by the United States Secret Service and prosecuted by Assistant United States Attorney Jack Hanly and Special Assistant United States Attorney Louis Ruffino.